

State of Michigan

State Tax Commission

ANNUAL PROPERTY REPORT
For Year Ended _____

State Assessed Telephone Companies

This report is issued under Michigan Public Act 282 of 1905, as amended. Filing of this report is mandatory. There can be only one authorized contact person for each company. Companies with annual gross receipts greater than \$1,000,000 are required to file this report on or before March 31. Companies with annual gross receipts equal to or less than \$1,000,000 are required to file this report on or before March 15. A company failing to file a complete report by the applicable due date shall be subject to a fine of \$500 per day.

Instructions for completion and filing options for this report are located on pages 13 thru 15.

I. Company Information and Contact Identification

Company Name		Federal Employer ID Number	
Company Address to which the tax bill should be sent	City	State	Zip
Company Authorized Contact Person (to whom correspondence concerning this report should be addressed)		Company Website	
Contact Address	City	State	Zip
Contact Telephone Number	Contact Fax Number	Contact e-mail Address	

Notary

Printed name of President, Secretary, Superintendent or Chief Officer under whose direction this report was prepared.	
By my signature below, I certify that the information (including any attachments) in this report is complete and correct to the best of my knowledge and belief.	
Signature _____ Title _____ Date _____	
Subscribed and sworn to before me this _____ day of _____, _____.	
Signature of Notary Public	My Commission Expires
Printed Name of Notary Public	Acting in the County of

Has your company experienced any name changes, acquisitions, or sales during the calendar year immediately preceding the statutory due date of this report?

YES ☐

NO ☐

If yes, please provide the following information:

Description of Change (acquisition, sales)		Date of Change
Name of Company Acquired	Name of Company Sold	
Under what name did the taxpayer file last year?		

II. Personal Property Statement

Section A: Personal Property Listing Multiplier Tables

Read the instructions carefully. Detailed instructions for the allocation of your personal property may be found in the instructions at the end of this document. This report is subject to audit. All tangible personal property in your possession, whether **owned or leased**, including **fully depreciated and expensed assets** must be included. Items are to be reported in the year new, at full original cost new including freight, installation, and sales tax in the column titled "Reportable Costs Current Year".

The "Costs Reported Prior Year", "Losses", "Additions" and "True Cash Value" columns are for Assessment and Certification Division use only.

Table A:						
Furniture and Fixtures						
	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.9100	
2005					0.8000	
2004					0.6900	
2003					0.6100	
2002					0.5300	
2001					0.4700	
2000					0.4200	
1999					0.3700	
1998					0.3300	
1997					0.2900	
1996					0.2700	
1995					0.2400	
1994					0.2200	
1993					0.1900	
Prior					0.1200	
Totals						

Table B:**Machinery and Equipment**

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.8900	
2005					0.7600	
2004					0.6700	
2003					0.6000	
2002					0.5400	
2001					0.4900	
2000					0.4500	
1999					0.4200	
1998					0.3800	
1997					0.3600	
1996					0.3300	
1995					0.3100	
1994					0.2900	
1993					0.2800	
Prior					0.2300	
Totals						

Table D:**Office Electronic, Video, and Testing Equipment**

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.8400	
2005					0.6400	
2004					0.5500	
2003					0.4900	
2002					0.4400	
2001					0.4100	
2000					0.3800	
1999					0.3500	
1998					0.3300	
1997					0.3100	
1996					0.2900	
1995					0.2800	
1994					0.2600	
1993					0.2500	
Prior					0.1700	
Totals						

Table F:

Computer Equipment

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.6000	
2005					0.4400	
2004					0.3200	
2003					0.2400	
2002					0.1900	
2001					0.1500	
Prior					0.0800	
Totals						

Table H:

FCC Uniform System of Accounts, Part 32

Account 32.2210 Analog, Digital, and Optical Switching and Operator Systems

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.9180	
2005					0.7660	
2004					0.6400	
2003					0.5340	
2002					0.4460	
2001					0.3720	
2000					0.3110	
1999					0.2600	
1998					0.2170	
1997					0.1810	
1996					0.1510	
1995					0.1260	
1994					0.1050	
1993					0.0880	
Prior					0.0740	
Totals						

Table I:

FCC Uniform System of Accounts, Part 32

Account 32.2232 Circuit Equipment

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.8950	
2005					0.7060	
2004					0.5570	
2003					0.4390	
2002					0.3470	
2001					0.2740	
2000					0.2160	
1999					0.1700	
1998					0.1340	
Prior					0.1060	
Totals						

Table J:

FCC Uniform System of Accounts, Part 32

Account 32.2411 Poles

32.2421 Aerial Cable Metallic

32.2423 Buried Cable Metallic

32.2424 Submarine Cable Metallic

32.2426 Intrabuilding Network Cable Metallic, and

32.2431 Aerial Wire

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.9210	
2005					0.7740	
2004					0.6510	
2003					0.5480	
2002					0.4610	
2001					0.3870	
2000					0.3260	
1999					0.2740	
1998					0.2300	
1997					0.1940	
1996					0.1630	
1995					0.1370	
1994					0.1150	
1993					0.0970	
Prior					0.0820	
Totals						

Table K:

FCC Uniform System of Accounts, Part 32

Account 32.2310 Information Origination/Termination Equipment

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.8760	
2005					0.6730	
2004					0.5030	
2003					0.3620	
2002					0.2490	
2001					0.1650	
2000					0.1070	
1999					0.0730	
1998					0.0570	
Prior					0.0500	
Totals						

Table M:

Fiber Optic Cable

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.9440	
2005					0.8370	
2004					0.7420	
2003					0.6580	
2002					0.5840	
2001					0.5180	
2000					0.4600	
1999					0.4080	
1998					0.3620	
1997					0.3210	
1996					0.2840	
1995					0.2520	
1994					0.2240	
1993					0.1990	
Prior					0.1760	
Totals						

Table N:

FCC Uniform System of Accounts, Part 32

Account 32.2441 Conduit Systems

	Costs Reported Prior Year (office use only)	Losses (office use only)	Additions (office use only)	Reportable Costs Current Year	Multiplier	True Cash Value (office use only)
2006					0.9740	
2005					0.9270	
2004					0.8800	
2003					0.8340	
2002					0.7890	
2001					0.7450	
2000					0.7010	
1999					0.6570	
1998					0.6140	
1997					0.5720	
1996					0.5310	
1995					0.4900	
1994					0.4500	
1993					0.4110	
1992					0.3720	
1991					0.3350	
1990					0.3020	
1989					0.2670	
1988					0.2340	
1987					0.2030	
1986					0.1750	
1985					0.1490	
1984					0.1250	
1983					0.1020	
Prior					0.0840	
Totals						

(office use only)

Section A: Personal Property True Cash Value

Section B: Leased Personal Property or Usage Rights

Any leased personal property **which is not listed above because the original cost new is not known**, should be reported below. Please complete as much information about the lease/agreement as possible. Include any Indefeasible Rights to Use Personal Property.

Description of Property or Usage Right	Beginning date of Agreement	Ending Date of Agreement	Rent or Fee	Frequency of Payment	True Cash Value (office use only)
Subtotal					

Section C:

Any personal property partially installed or constructed as of December 31st should be reported at 100% of original costs new incurred to date (including sales tax, freight and installation). Please provide approximation of percentage complete.

Project Identifier	Year Started	Expected Completion	Location and Description of Construction	Percent Complete	Incurred Costs to Date
Subtotal					
X .50					
True Cash Value					

Personal Property Calculations Summary

Section A: Personal Property Tables Subtotals

Section B: Leased Personal Property Subtotal

Section C: Personal Property Construction In Progress Subtotal

(office use only)

Total Personal Property True Cash Value (Sum of sections A, B, and C)

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The Total Personal Property True Cash Value above will be completed AFTER the Assessment and Certification Division has had the opportunity to review and value the Section B property. These totals will become part of the basis for calculating the taxable value for all of your property (both real and personal).

III. REAL PROPERTY

A. Assessed Real Property

Have there been any changes (additions or losses) to your Real Property in the calendar year immediately preceding the statutory filing date of this report?

YES ☐

NO ☐

If no, please skip B and C.

If yes, please describe losses and additions in B and/or C below, as appropriate.

If you are filing this report for the first time, please list all Real Property in section C as an addition.

B. Losses to, or Transfers of Real Property

If there have been any changes to Real Property **owned or leased** by your company for the calendar year immediately preceding the statutory due date of this report which could cause a reduction in value, please provide a complete description of any changes below. These changes include, but are not limited to property destroyed, property removed, and transfers of ownership.

Parcel ID	Street Address, City or Township, or County and/or Legal Description	Date of Loss	Description of Physical Change	True Cash Value (office use only)
Total				

(attach additional sheets if necessary)

C. Additions to, or Acquisitions of Real Property

If there have been any changes to Real Property **owned or leased** by your company for the calendar year immediately preceding the statutory due date of this report which could cause an increase in value, please provide a complete description of any changes below. These changes include, but are not limited to new property acquired or leased, new construction or other assessable improvements or additions to existing property, omitted property, and previously exempt property for which an exemption no longer applies.

Parcel ID	Street Address, City or Township, or County and/or Legal Description	Date of Addition	Description of Physical Change	True Cash Value (office use only)
Total				

(attach additional sheets if necessary)

(office use only)

Total Real Property True Cash Value	
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The Total Real Property True Cash Value above will be completed **AFTER** the Assessment and Certification Division has had the opportunity to review and value the additions and losses. These totals will become part of the basis for calculating the capped and taxable values for all of your property (both real and personal).

NOTE

All summary calculations will be completed AFTER the Assessment and Certification Division has reviewed and processed the information contained in this Annual Property Report. Once all processing is complete, you may view the summary calculations (worksheets) by requesting a personal identification number (PIN) and accessing your company's secure, online account. For additional information on how to request a PIN to access your account, please refer to the "How to file this report" section of the instructions.

Tentative values will be posted on or about May 15, and final values will be posted on or about June 15. Each state assessed company will receive a final tax bill by mail and any taxes due are payable on July 1.

Application for the Eligible Expenditures Credit against Tax Levied on State Assessed Companies as provided by MCL 207.13b(1)

Instructions:

Companies which are assessed by the State Tax Commission under the authority of PA 282 of 1905 may receive an Eligible Expenditures credit against the tax imposed by the act.

In order to receive the Eligible Expenditure credit the following requirements must be met:

1. The company a timely credit application. This form shall be filed with the State Tax Commission in accordance with the following schedule:

Companies whose **gross receipts do not exceed \$1,000,000** shall file **on or before March 15**.
Companies whose **gross receipts exceed \$1,000,000** shall file **on or before March 31**.

2. The company must be subject to the annual maintenance fee required under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act for the one year period between April 1 of the prior year and March 31 of the current year.

3. The company must have incurred Eligible Expenditures:

The law defines "Eligible Expenditures" as follows:

"Eligible Expenditures" means expenditures made by a company to purchase and install eligible equipment.

"Eligible Equipment" means property placed into service in the state for the first time with information carrying capacity in excess of 200 kilobits per second in both directions.

Company Name

Federal Employer ID# (FEIN)

Eligible Expenditures Credit (MCL 207.13b(1))

Is your company subject to the annual maintenance fee required under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act for the one year period between April 1 of last year and March 31 of the current year?

YES ☐

NO ☐

If NO, you are not eligible for this credit, DO NOT SUBMIT EXPENDITURES.

If YES, Please list the Eligible Expenditures incurred during the prior calendar year.

Description of Equipment	Amount of Eligible Expenditure

(attach additional sheets if necessary)

Application for the Maintenance Fee Credit against Tax Levied on State Assessed Companies as provided by MCL 207.13b(5)

Instructions:

Companies which are assessed by the State Tax Commission under the authority of PA 282 of 1905 may receive a Maintenance Fee credit against the tax imposed by the act.

After any credit under MCL 207.13b(1) is determined, a company shall be allowed a credit against any remaining tax imposed under this act equal to the credit allowed under section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, less the amount of any credit determined under MCL 207.13b(1).

If the credit allowed under this subsection for the tax year and any unused carryforward of the credit allowed by this subsection exceed the company's remaining tax liability for the tax year after any credit under MCL 207.13b(1) is determined, that portion of the credit that exceeds the remaining tax liability for the tax year shall not be refunded but may be carried forward to offset any tax liability in subsequent tax years that remains after any credit claimed under subsection (1) in that subsequent tax year is determined until used up.

In order to receive the Maintenance Fee Credit under MCL 207.13b(5) this form shall be filed with the State Tax Commission **before May 1st**.

Company Name

Federal Employer ID# (FEIN)

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Maintenance Fee Credit (MCL 207.13b(5))

Is your company subject to the annual maintenance fee required under Sec 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act for the one year period between April 1 of last year and March 31 of the current year?

YES

☐

NO

☐

If NO, you are not eligible for this credit.

If YES, please provide the following information about the Section 8 Maintenance Fees

Amount billed \$

Amount Paid \$

INSTRUCTIONS FOR COMPLETION OF THE ANNUAL PROPERTY REPORT BY TELEPHONE COMPANIES

Who Must File?

All state assessed telephone companies must file this report. State assessed telephone companies are companies which:

1. Provide switching and/or routing of 2-way information of the user's choosing that is transmitted over landlines and/or landline transmission of 2-way information of the user's choosing that are voice and/or data and/or broadband, and
2. Offer these services either directly or indirectly to the public in Michigan.

Authorization, Due Dates, and Penalties for Non-Compliance

This form is issued under the authority of the Michigan Public Act 282 of 1905, as amended. This report is subject to audit. Filing is mandatory. Failure to file this report may subject the Taxpayer to a fine of \$500.00 per day for each day that filing is delayed beyond its due date. Taxpayers having annual gross revenue of less than \$1 million dollars must file this report by March 15, and Taxpayers having annual gross revenues of \$1 million dollars or more must file this report by March 31.

How to submit this report:

This report may be submitted electronically or mailed in paper format. If you wish to submit this form electronically, please visit the following web site at www.michigan.gov/taxes. Once at the website, select the "Property Tax" button from the list on the left side of the page. Next, select the "forms and instructions" button. Finally, select the "Property Tax – State Assessed" button. You may also call (517) 241-4338 for more information on how to file electronically. Any company which desires to take advantage of the new online process, will be able to request an individual secure Personal Identification Number (PIN) by filling out Treasury form 4435. Once the Personal Identification Number (PIN) is issued, the company can use that PIN to access the site for submitting their Annual Property Report and any applicable credit applications online. The company can also use the PIN to view calculation worksheets and tax notices, once all the processing is complete. The secure PIN protects the account, and restricts access so that only the person which the company authorizes can access or view the information submitted to the state.

If submitting this form by mail, please complete and sign the declaration on page one and send the entire completed form to:

Mailing Address:

Michigan State Tax Commission
Michigan Department of Treasury
P O Box 30471
Lansing, MI 48909-7971

For Overnight Package Delivery:

Michigan State Tax Commission
Michigan Department of Treasury
Austin Building
430 W. Allegan Street
Lansing, MI 48922

SECTION I. COMPANY INFORMATION AND CONTACT IDENTIFICATION

Company Name: Insert the company name as it is legally registered with the state or local unit of government. If your company uses any name other than the legally registered name, provide the assumed name(s) as well.

Federal Employer ID Number (FEIN): Insert the taxpayer's Federal Employer ID Number.

Company Address: Provide the address where the tax bill should be sent.

Authorized Contact Person: Insert the Name, Address, e-mail address and Telephone number of the person authorized by the company to act as the sole contact person for correspondence regarding this report.

If there have been any name changes, acquisitions, sales, or other changes in the calendar year immediately preceding the statutory due date of this report, please provide the information requested. Include the name under which the company reported property to the State of Michigan last year.

SECTION II. PERSONAL PROPERTY STATEMENT

(A) Personal Property Listing Multiplier Tables

You must report in these sections all tangible personal property located in the State of Michigan which is owned by you or is leased and engaged by you in the business of providing telephone/telegraph service. Property must be listed at its **full original cost new, in the year that it was new.** The "Costs Reported Prior Year", "Losses", "Additions", and "True Cash Value" columns are for Assessment and Certification Division (ACD) use only. To view the values and calculations entered by the Assessment and Certification Division, please fill out form 4435 to obtain a Personal Identification Number (PIN) for access to the online reporting form available at www.michigan.gov/taxes (please see "How to submit this report" section above for specific website location). Tentative Values will be electronically posted on or about May 15th, and Final Values will be electronically posted on or about June 15th.

The valuation multipliers that will be used to value the property disclosed by the taxpayer in this report are intended to be applied to the original cost of new, not used, property. Original cost new includes freight, installation, and sales tax. If the original cost new of an asset is known, or can be reasonably ascertained through investigation, you must report that cost on the line that represents the year that it was new, even if you have adjusted the cost in your accounting records to

reflect revaluation of the asset using a "purchase", "fresh start", "push down", or similar accounting methodology, or even if your booked cost reflects a "used" purchase, lease "buy-out" price or a "trade-in" credit. The cost of all property must be included in this report even if the asset is fully depreciated for federal income tax or financial accounting purposes, and even if the property has been expensed, rather than capitalized in your accounting system.

Inventory is exempt from assessment. Inventory does not include personal property under lease or principally intended for lease or rental, rather than sale. Property allowed a cost recovery allowance or depreciation under the Internal Revenue Code is not inventory. Non-registered motor vehicles and equipment attached to motor vehicles which is not used while the vehicle travels on the highway are assessable, but vehicles registered with the Michigan Secretary of State on December 31st are exempt. Computer software, if the purchase was evidenced by a separate invoice amount and if the software is commonly sold separately, is exempt.

Table A: Furniture and Fixtures

Examples of the assets to be reported in this section include, but are not limited to: decorations, seating, office furniture, shelving and racks, lockers, modular office components, cabinets, counters, rent-to-own furnishings, bookcases, displays, mobile office trailers, tables, filing systems, slat walls, non-freestanding signs, window treatments, uniforms and linens.

Table B: Machinery and Equipment

The assets to be reported in this section include all assets that are not designated for disclosure in another section. Some examples of such assets include, but are not limited to the following types of machinery and equipment: air compressors, boiler, furnace, unlicensed vehicular, vehicle mounted equipment, conveyor, incinerators, maintenance and janitorial, waste containers, computer controlled lighting, hand tools of mechanics and trades, freestanding and other safes not assessed as real property, fork lift trucks.

Note: Motor Vehicles and Attached Equipment

If the taxpayer owns or leases motor vehicles used in Michigan and the vehicles are properly registered with the Michigan Secretary of State, the registered vehicles are exempt from assessment, but any attached equipment which is not designed for operation while the vehicle is moving on the highway, is not exempt.

Table D: Office Electronic, Video and Testing Equipment

Examples of assets to be reported in this section include, but are not limited to: office machines, non-computerized cash registers, copiers (including digital copiers/document processing devices), faxes, mailing and binding equipment, photography and developing equipment, shredders, projectors, telephone and switchboard systems, audio and video equipment, amplifiers, CD, cassette and disc players, speakers, cable television local origination equipment, electronic scales, surveillance equipment, electronic diagnostic and testing equipment, satellite dishes, electronic testing or laboratory equipment, cellular transmitter site equipment (except towers and land improvements and items reported under other sections of this form – see State Tax Commission Bulletin 3 of 2000), cellular telephones, security systems, 2-way and mobile land radio equipment, pay-per-view systems, wooden and plastic pallets and shipping containers, and distributive control systems (see bulletin 3 of 2000). Other assets may be included at another time.

Table F: Computer Equipment

Examples of assets to be reported in this section include, but are not limited to: assessable software, personal and midrange and mainframe computer and peripheral equipment, including servers, data storage devices, CPUs, input devices, output devices, monitors, networking equipment, computerized point of sale terminals, global positioning system equipment, pager instruments, and cable television converters. Do not report digital copiers in this section even if the equipment can also be used as a computer peripheral. (report those in table D)

Table H: Analog, Digital and Optical Switching and Operator Systems

(FCC Uniform System Account 32.2210)

Table I: Circuit equipment

(FCC Uniform System Account 32.2232)

Table J: Poles, All Metallic Cable (including: aerial, buried, submarine, and intra-building network) and Aerial Wire.

(FCC Uniform System Accounts 32.2411, 32.2421, 32.2423, 32.2424, 32.2426 & 32.2431)

Table K: Information Origination/Termination Equipment

(FCC Uniform System Account 32.2310)

Table M: Fiber Optic Cable

Table N: Conduit Systems

(FCC Uniform System Account 32.2441)

(B) Leased Personal Property

This section is provided for the limited purpose of reporting any leased property which is not listed in section A due to the inability of the taxpayer to ascertain the original cost new. If the cost new is not ascertainable, provide as much information as possible about the lease/rental agreement terms. Personal Property listed in this section will be reviewed and valued by the Assessment and Certification Division.

(C) Personal Property Construction in Progress

Construction in progress is defined as property and network systems which are located in Michigan and which are either under construction or have not been placed in service on or before December 31st. Report all costs that have been incurred including overheads, installation costs incurred, sales tax and freight. Reporting of costs should be separated by project. Property which is placed in service on or before December 31st is considered placed in service that year and should be entirely reported on the line which represents the year that it was considered placed in service. Similarly, the cost of all assets must be reported as acquired in the year that they were placed in service, rather than the year of purchase, if those years differ.

Section III Real Property**A. Previous Year Assessed Real Property**

Please indicate whether there have been any changes to your real property as compared to the prior year's information and provide information about any changes in B and C. If you would like to view your previous year reported Real Property for comparison, you may request an individual secure Personal Identification Number (PIN) by filling out Treasury form 4435. This PIN allows you to view your secure online account which will have the previous year information, as well as the calculation worksheets and tax notices for the current year, once all the processing has been completed by the Assessment and Certification Division.

B. Losses to Real Property

Losses means the decrease in value which has not been reflected in the assessment unit's immediately preceding year's assessment roll. Losses include removal or destruction of real property, newly exempt property, or newly contaminated property.

C. Additions to Real Property

Additions means an increase in value which has not been reflected on the assessment unit's immediately preceding year's assessment roll. Additions include omitted property, new or replacement construction, and increases in value due to new public services and/or contamination remediation.